

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
November 30, 2022

Rodeo Gateway Apartments, located at 710 Willow Avenue in Rodeo, requested and is being recommended for a reservation of \$1,133,987 in annual federal tax credits to finance the acquisition and rehabilitation of 49 units of housing with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by EAH Inc. and will be located in Senate District 9 and Assembly District 14.

The project will be receiving rental assistance in the form of a HUD Project Rental Assistance Payments Contract (PRAC).

Project Number CA-22-569

Project Name Rodeo Gateway Apartments
 Site Address: 710 Willow Avenue
 Rodeo, CA 94572 County: Contra Costa
 Census Tract: 3923.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,133,987	\$0
Recommended:	\$1,133,987	\$0

Applicant Information

Applicant: Rodeo Gateway II EAH, LLC
 Contact: Welton Jordan
 Address: 22 Pelican Way
 San Rafael, CA 94901
 Phone: 415-295-8876
 Email: welton.jordan@eahhousing.org

General Partner(s) or Principal Owner(s): Rodeo Gateway II EAH, LLC
 General Partner Type: Nonprofit
 Parent Company(ies): EAH Inc.
 Developer: EAH Inc.
 Bond Issuer: California Municipal Finance Agency
 Investor/Consultant: California Housing Partnership Corporation
 Management Agent: EAH Inc.

Project Information

Construction Type: Acquisition and Rehabilitation
 Total # Residential Buildings: 1
 Total # of Units: 50
 No. / % of Low Income Units: 49 100.00%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt / HOME / CDBG / HUD Section 8 Project-based Contract (49 Units/100%)

Information

Housing Type: Non-Targeted
 Geographic Area: East Bay Region
 CTCAC Project Analyst: Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	20	41%
40% AMI:	4	8%
50% AMI:	24	49%
60% AMI:	1	2%

Unit Mix

49 1-Bedroom Units
1 2-Bedroom Units
50 Total Units

Unit Type & Number	2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
20 1 Bedroom	30%	\$803
4 1 Bedroom	40%	\$1,071
24 1 Bedroom	50%	\$1,339
1 1 Bedroom	60%	\$1,607
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$12,600,000
Construction Costs	\$0
Rehabilitation Costs	\$8,184,717
Construction Hard Cost Contingency	\$828,067
Soft Cost Contingency	\$495,847
Relocation	\$1,005,861
Architectural/Engineering	\$915,762
Const. Interest, Perm. Financing	\$2,038,778
Legal Fees	\$120,000
Reserves	\$313,178
Other Costs	\$702,756
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$29,704,966

Residential

Construction Cost Per Square Foot:	\$214
Per Unit Cost:	\$594,099
True Cash Per Unit Cost*:	\$506,888

Construction Financing

Source	Amount
Union Bank	\$15,035,454
Contra Costa RDA (Assumed)	\$2,503,517
HOME/CDBG (Assumed)	\$2,351,555
Contra Costa - CDBG	\$2,200,000
Seller Carryback	\$4,252,928
Deferred Costs	\$2,335,048
Deferred Developer Fee	\$107,631
Tax Credit Equity	\$918,833

Permanent Financing

Source	Amount
Union Bank	\$4,539,000
Contra Costa RDA (Assumed)	\$2,503,517
HOME/CDBG (Assumed)	\$2,351,555
Contra Costa - CDBG	\$2,200,000
Seller Carryback	\$4,252,928
Sponsor Loan	\$3,392,000
Deferred Developer Fee	\$107,631
Tax Credit Equity	\$10,358,335
TOTAL	\$29,704,966

*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$14,740,574
Requested Eligible Basis (Acquisition):	\$13,609,111
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$14,740,574
Qualified Basis (Acquisition):	\$13,609,111
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$589,623
Maximum Annual Federal Credit, Acquisition:	\$544,364
Total Maximum Annual Federal Credit:	\$1,133,987
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.91344

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Standard Conditions

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee’s next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a reservation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by CTCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the CTCAC placed in service review, CTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.